

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

SB 1997 – HB 1911

April 7, 2009

SUMMARY OF AMENDMENT (005981): Requires the state compact commissioner to participate in FY09-10 national commission meetings by telecommunication or electronic communication unless travel expenses are paid for with non-state funds. Prohibits the creation of a State Council to coordinate the provisions of this act in FY09-10 but does authorize the Council to be created in subsequent fiscal years. Requires the State Board of Education to determine which existing body or board will provide this coordination in FY09-10. In FY09-10, agenda items concerning the provisions of this bill will be heard at regular meetings unless funding for special meetings are funded from non-state funds. Requires the military family education liaison in FY09-10 to do their job through telecommunication or other electronic means unless travel funds are provided from non-state sources.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$22,804

Decrease Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

**Increase State Expenditures - \$2,800/FY09-10
\$19,800/FY10-11 and
Subsequent Years**

Decrease Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

Assumptions applied to amendment:

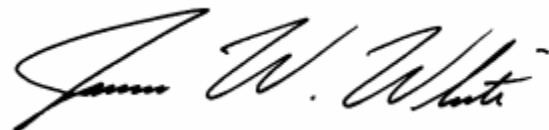
- The amendment specifically prohibits an increase in state expenditures in FY09-10 for separate State Council meeting member per diem and travel and additional travel costs for other personnel but does not prohibit state expenditures for these costs in FY10-11 and thereafter.

SB 1997 – HB 1911

- A State Council will be created in FY10-11 and the military family liaison and other personnel will incur travel and/or per diem costs for job-related activities after FY09-10.
- According to the Interstate Commission on Educational Opportunity for Military Children, the Commission's budget is based upon a \$1.00 fee per active duty child paid by each member state. Tennessee has approximately 2,804 active duty children. Total increase in state expenditures for 2,804 children is \$2,804. This total could increase or decrease annually depending upon the number of children of active duty personnel. Assessments will begin in FY09-10.
- It is unknown if the national Commission and State Council will hold in-person meetings or will meet through some other format.
- The representative to the national Compact Commission will incur travel costs if in-person meetings are held. These costs are estimated conservatively to be approximately \$2,000 per meeting. The Commission is required to meet once annually.
- It is estimated that in FY10-11 and subsequent years the military liaison will incur normal travel costs of approximately \$5,000 for job-related coordination activities.
- The cost per State Council meeting will be approximately \$2,500 for member travel and per diem. If four meetings are held, the total cost will be \$10,000 (\$2,500 x 4).
- Total increase in state expenditures in FY10-11 is estimated to be \$19,804 (\$10,000 + \$2,000 + \$5,000 + \$2,804).
- Any decrease in local revenue resulting from military families not paying out-of-jurisdiction tuition fees is estimated to be not significant.
- Any increase in local expenditures is estimated to be not significant.
- No impact on the BEP formula.
- Currently, 11 states have joined the Compact, resulting in this bill becoming law upon passage.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

/msg